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Global Daily Report

Summary

- The multi-day growth on global stock exchanges has ended; developed economies' indices fell on Tuesday.
- The earnings of Antofagasta, E.On and RWE all surprised on the upside.
- The USD is seen weakening again.

Reversing a one-week climb higher, stock markets dropped across Europe, with the Stoxx600 and the FTSE easing 1% each, and the DAX falling 1.6%. The day started with gains as the earnings report of Germany's E.On came with EUR 4 billion net profit in 2017, an impressive recovery from the loss a year earlier; the energy giant also announced dividend payment of 0.30 EUR/share. No wonder that its share price advanced more than 3%. Antofagasta also booked 3% gain as its profit quadrupled in 2017, benefiting from higher copper prices. Accordingly, the mining company announced to pay three times more dividend than had been thought.

The supportive market sentiment in Europe went sour when US markets opened. Because February inflation data matched expectations, four Fed funds rate hikes in 2018 have become less likely. This sent the US dollar weakening against the EUR and the GBP. The sacking of the US foreign secretary re-kindled the worries surrounding President Trump's policy. The losers of the day in Europe were France's Iliad telecommunications company (-10%) and Germany's RWE (-3%); the latter surprised with better-than-expected results, but news on selling a stake to its competitor E.On weighed on its share price.

America's indices closed in the red, with the S&P sinking 0.6% and the Dow losing 0.7%. The technology sector was hit the hardest – the tech-heavy NASDAQ wiped out the previous seven days' losses. The S&P's underperforming sub-indices included financial service providers, the energy and the consumer discretionary sectors. Qualcomm's share price contracted by 5% on news that president Trump vetoed its acquisition by Broadcom; the latter shrank less than 1%. The key players of the technology sector lost nearly 2% yesterday. GE slumped more than 4% as JP Morgan's analysts pointed out the downward risks in GE's profit guidance. The lower oil prices put the energy sector under pressure, owing to mounting fears that global demand cannot keep pace with America's re-intensifying supply.

The 10Y bond yields dropped yesterday, with the US Treasury Note dipping 3 bps, the German Bund and the UK bond sinking one basis point each.

On commodity markets, the WTI sank below 61 USD/barrel, while the Brent traded at less than USD 65. Gold price climbed 0.5% higher.

Asia's stock markets also headed down this morning. Japan's Topix (-0.5%) and Nikkei (-1%) both closed in the red. China's indices did not do any better, even though this morning's release of Chinese infrastructural spending and industrial production signified stronger-than-expected growth in February.

	Stocks				Bonds				Commodity & FX			
	Product name	Close	Daily change (%)	YTD (%)	Product name	Yield	Daily change*	YTD	Product name	Close	Daily change (%)	YTD (%)
Global	S&P500	2765,3	-0,6	3,4	VIX	16,4	3,6	48	WTI	60,71	-1,0	0,5
	DOW	25007,0	-0,7	1,2	US 2Y	2,26	-0,4	37	Brent	64,64	-0,5	-3,3
	Nasdaq100	7046,5	-1,2	10,2	US 10Y	2,85	-2,2	44	Arany	1326,0	0,3	1,8
	DAX	12221,0	-1,6	-5,4	GER 2Y	-0,56	0,0	7	Ezüst	16,54	0,3	-2,4
	CAC40	5242,8	-0,6	-1,3	GER 10Y	0,62	-1,0	20	WTI	1,24	0,5	3,3
	FTSE 100	7138,8	-1,1	-7,1	PT10Y	1,80	-3,0	-13	Brent	0,89	0,1	-0,1
	FTSE MIB	22691,0	-0,3	3,8	IT 10Y	1,99	-1,1	-1	Arany	9,6	0,3	-2,7
	Stoxx600	375,5	-1,0	-3,5	SP 10	1,39	-0,5	-18	Ezüst	1,30	1,0	3,1
	- Banks	167,4	-0,2	1,4	iTRAXX	49,0	0,7	9	WTI	0,79	-0,2	0,7
	Nikkei 225	21777,3	-0,8	-4,3	JPY 2Y	-0,14	0,6	0	Brent	106,56	0,1	-5,4
SSEC	3291,9	-0,6	-0,5	JPY 10Y	0,05	-0,2	0	GBP/USD	1,3959	0,4	3,3	
Regional	RTS	1285,8	0,2	11,4	RUS10	7,04	0,1	-7	USD/RUB	57,051	0,3	-1,1
	WIG20	2353,0	-1,1	-4,4	POL 10	3,35	1,5	1	EUR/PLN	4,2111	0,2	0,9
	PX50	1124,4	-0,3	4,3	CZ10	1,91	-0,9	26	EUR/RON	4,6703	0,2	-0,1
Hungary	BUX	38663,7	-0,4	-1,8	3 hó BU	0,02	0,0	-2	EUR/HUF	311,62	-0,1	0,4
	OTP	11490,0	-0,3	7,2	3 hó DKJ	0,03	-0,9	-2	USD/HUF	251,40	-0,5	-2,9
	MOL	3004,0	-0,3	0,0	3 év	0,94	2,5	39	CHF/HUF	266,45	-0,1	0,6
	MTelekom	445,5	0,1	-2,7	5 év	1,55	-1,0	38	PLN/HUF	73,960	-0,2	-0,4
	Richter	5655,0	-0,2	-16,6	10 év	2,71	0,6	66	GBP/HUF	351,11	-0,1	0,5

* In the case of bond yields, the change is in basis points instead of percentage (VIX and ITRAXX not included).

Sources: Reuters, OTP Research

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2018 3. 12.	19 : 00	US Federal budget balance (USDbn)	Febr.	-215	-216	49,0
	13. 13 : 30	US CPI (yoy, %)	Febr.	2,2	2,2	2,1
	13 : 30	US CPI (mom, %)	Febr.	0,2	0,2	0,5
	13 : 30	US core-CPI (yoy, %)	Febr.	1,8	1,8	1,8
	13 : 30	US core-CPI (mom, %)	Febr.	0,2	0,2	0,3
14.	3 : 00	CN Infrastructural spending (yoy, %)	Febr.	7,9	7,0	7,2
	3 : 00	CN Industrial production (yoy, %)	Febr.	7,2	6,1	6,2
	3 : 00	CN Retail sales (yoy, %)	Febr.	9,7	9,8	9,4
	9 : 00	HU Construction output (yoy, %)	Jan.		-	35,0
	9 : 00	HU Industrial production (second estimate, yoy, %)	Jan.		-	6,9*
	11 : 00	EZ Industrial production (mom, %)	Jan.		-0,2	0,4
	13 : 30	US Retail sales (mom, %)	Febr.		0,3	-0,3
	15 : 00	US Business inventories (mom, %)	Jan.		0,5	0,4
15.	14 : 30	US New York Fed Manufacturing index (points)	March		15,0	13,1
16.	11 : 00	EZ CPI (final, yoy, %)	Febr.		1,2	1,2*
	13 : 30	US Housing starts (annualized monthly, '000s)	Febr.		1280	1326
	13 : 30	US Building permits (annualized monthly, '000s)	Febr.		1303	1377
	14 : 15	US Industrial production (mom, %)	Febr.		0,2	-0,1
	15 : 00	US Michigan Consumer confidence (preliminary, points)	March		97,0	99,7
18.	23 : 55	RU Presidential election	-		V. Putin	V. Putin

* preliminary data

Sources: Reuters, OTP Research

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